

Message Text

SECRET

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ACTION SS-25

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FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 3601

S E C R E T SECTION 1 OF 2 PANAMA 2173

EXDIS

FOR SECRETARY KISSINGER AND ASSISTANT SECRETARY ROGERS ONLY

EO 11652: XGDS

TAGS: PN, PFOR, XN

SUBJ: SITUATION IN PANAMA

ON YOUR FORTHCOMING TRIP TO LATIN AMERICA, THE SUBJECT OF PANAMA AND TREATY NEGOTIATIONS WILL OBVIOUSLY ARISE. ALSO, I UNDERSTAND THERE IS SOME SOULD SEARCHING GOING ON IN THE WASHINGTON COMMUNITY REGARDING THIS PROBLEM. IN VIEW OF BOTH FACTORS, IT SEEMS APPROPRIATE THAT YOU HAVE AVAILABLE THE CONSIDERED VIEWS OF A FRIEND AND COLLEAGUE WHO IS ALSO THE PRESIDENT'S REPRESENTATIVE IN THIS COUNTRY.

WE ARE, AS YOU KNOW, REASONABLY CLOSE TO A TREATY. SOME TOUGH ITEMS REMAIN TO BE WORKED OUT--USE OF LANDS AND WATERS, COMPENSATION, TREATMENT OF U.S. EMPLOYEES OF A NEW CANAL COMPANY, AND DURATION. BUT I FEEL CONFIDENT THAT THESE MATTERS CAN BE RESOLVED IN WAYS ACCEPTABLE TO BOTH PARTIES. ONE CAVEAT APPLIES--WE WILL NOT GET A TREATY IF WE STICK TO THE PRESENT GUIDELINES OF SEEKING A 50-YEAR TERM. THE MOST ONEROUS PART OF THE 1903 TREATY UNDER WHICH WE NOW OPERATE IS ITS PERPETUITY CLAUSE. AND WE MUST FACE THE FACT THAT FOR GENERAL TORRIJOS CUAND ALL THOSE WORKING WITH HIM ON THIS PROBLEM, 50 YEARS IS REPEAT IS QUOTE PERPETUITY UNQUOTE. BUT I RECKON WE CAN GET 25 YEARS--WITH PANAMANIAN PARTICIPATION GRADUALLY INCREASING IN OPERATIONAL AND DEFENSE FUNCTIONS DURING THAT PERIOD.

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THERE ARE SEVERAL REASONS WHY WE HAVE MOVED SO CLOSE TO SOLVING THIS LONG-STANDING PROBLEM (11 YEARS OF HERETOFORE FUTILE NEGOTIATIONS). ONE IS THAT THE PANAMANIAN WANT IT SO MUCH AND THE TORRIJOS GOVERNMENT HAS MADE A TREATY ITS PRIME FOREIGN POLICY OBJECTIVE. SECOND, THE PANAMANIAN HAVE ADOPTED A REASONABLE POSTURE IN THE CURRENT ROUND LARGELY BECAUSE OF THEIR PERSONAL CONFIDENCE IN YOU AND THOSE ASSOCIATED WITH YOU IN THIS EFFORT. TORRIJOS IS PERSUADED THAT WHEN KISSINGER GIVES HIS WORD IT WILL BE CARRIED OUT. FINALLY, WE ALL OWE A DEBT TO ELLSWORTH AND THE QUIET SKILL AND CANDOR WITH WHICH HE HAS CONDUCTED THE TALKS FROM THE OUTSET. THIS NEW TONE IN U.S. DIPLOMACY HAS WON PRAISE NOT ONLY FROM PANAMANIAN BUT FROM OTHER LATIN WHO HAVE BEEN WATCHING FROM A DISTANCE.

SO WE ARE ON THE THRESHOLD OF AGREEMENT. I WOULD GUESS THAT TWO MORE MONTHS WORK WILL SEE IT SUCCESSFULLY CONCLUDED--PROVIDED BOTH SIDES REMAIN CALM AND REASONABLE.

BUT I GATHER THAT SOME PEOPLE ARE NOW THINKING THAT THE PRESENT MOMENT IS NOT THE RIGHT TIME FOR ACTION ON THIS FRONT. I KNOW THAT DEVELOPMENTS IN SOUTHEAST ASIA HAVE BEEN TRAUMATIC FOR US ALL. AND THE MIDDLE EAST CONTINUES BALANCED ON A THIN WIRE BETWEEN WAR AND PEACE. I SENSE THE GENERAL MOOD OF THE COUNTRY

ONE OF DISILLUSIONMENT AND QUOTE NO MORE GIVEAWAYS UNQUOTE. AND SO THERE ARE THOSE WHO WOULD PUT THE PANAMA PROBLEM ON THE BACK BURNER QUOTE UNTIL A MORE PROPITIOUS TIME UNQUOTE.

I REJECT THIS OUTLOOK, AND I HOPE YOU WILL. I BELIEVE-- EMPHATICALLY--THAT NOW IS PRECISELY THE TIME FOR FORWARD MOVEMENT ON THIS ISSUE. WE HAVE ALREADY ACCOMPLISHED PERHAPS TWO-THIRDS OF OUR OBJECTIVE. WE ARE DEALING WITH A GOVERNMENT THAT HAS SHOWN ITSELF REASONABLE IN ITS RELATIONS WITH US. WE HAVE A GREAT OPPORTUNITY TO PROVIDE AN EXAMPLE OF THE WAY A LARGE AND POWERFUL NATION CAN DEAL FAIRLY WITH A SMALL AND DEVELOPING COUNTRY. AND, OF COURSE, A REASONABLE SOLUTION IN PANAMA WILL HELP CONSIDERABLY IN ANY EFFORT TO PUT U.S.-LATIN RELATIONS ON A NEW AND COOPERATIVE FOOTING.

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I AM REALISTIC ENOUGH TO KNOW THAT THE MOOD IN CONGRESS MAY NOT BE SUCH AS TO GET SUFFICIENT BACKING FOR ANY TREATY WE DEVELOP. WHETHER, BUT HARD WORK AND DETAILED ARGUMENT, THAT MOOD CAN BE CHANGED IS GOING TO BE A MAJOR CHALLENGE IN THE MONTHS AHEAD. BUT IN ANY CASE I WOULD ARGUE THAT EVEN IF CONGRESS WERE TO REJECT A TREATY, THE EXECUTIVE BRANCH SHOULD NOT USE THAT AS AN EXCUSE TO WITHDRAW FROM THE LISTS.

THE MOST FUNDAMENTAL REASON FOR MY JUDGMENT IS THAT IN WALKING AWAY FROM A TREATY AT THIS STAGE--OR MAKING THE TERMS TOTALLY UNACCEPTABLE--WOULD PRESENT OUR PRESIDENT, AND YOU, AND OUR COUNTRY WITH A NEW AND INTRACTABLE PROBLEM. AND I WOULD THINK THE LAST THING IN THE WORLD WE NEED AT THIS TIME IS A LARGE NEW HEADACHE. BUT THAT IS WHAT WE WILL GET.

IT MAY BE ARGUED THAT PANAMA WILL NOT RESORT TO CONFRONTATION BECAUSE THE CONTINUED SUCCESSFUL OPERATION OF THE CANAL IS SO CLEARLY IN THEIR ECONOMIC INTEREST. BUT THE FACT IS THAT THESE PEOPLE ARE CAPABLE OF--INDEED INCLINED TO--EMOTIONAL AND ILL-CONSIDERED ACTIONS. THE FEELINGS ABOUT THE ZONE AND SOVEREIGNTY, AND THE OTHER ISSUES ARE SO DEEP, AND SO BROADLY SHARED HERE, THAT CONFRONTATION IS NOT MERELY LIKELY BUT I WOULD SAY INEVITABLE.

THERE WILL BE DEMONSTRATIONS, LARGE AND SMALL. EFFORTS WILL BE MADE TO PENETRATE THE ZONE. CARS WILL BE BURNED IN THE STREET. AMERICANS IN THE ZONE AND REPUBLIC WILL SUFFER HARASSMENT AND PROBABLY WORSE.

THE GOVERNMENT WILL TURN SHARPLY TO THE LEFT AND THE MODERATES--UPON WHOM TORRIJOS HAS RELIED HEAVILY FOR ADVICE AND COUNSEL--WILL BE REPUDIATED.

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FOR SECRETARY KISSINGER AND ASSISTANT SECRETARY ROGERS ONLY

WE WILL THEN BE CALLED UPON TO ENFORCE OUR WILL AND PROTECT OUR CITIZENS AND PROPERTY. WE WILL PROBABLY HAVE TO KILL QUITE A FEW

PANAMANIAN, ESPECIALLY YOUNG STUDENTS. ONCE THERE ARE QUOTE MARTYRS UNQUOTE TO THE CAUSE, THE SITUATION WILL DETERIORATE FURTHER. THE NEXT LIKELY STEP WOULD BE FOR US TO SEND ADDITIONAL FORCES HERE TO MAINTAIN OUR POSITION. THAT, IN TURN, WILL CAUSE NEW RESENTMENT AND BITTERNESS. THEN ONE DARK NIGHT FIVE OR SIX TRAINED SABOTEURS (AND THERE ARE PLENTY HERE) WOULD MOVE IN AND BLOW ONE OF THE LOCKS OR, MORE PROBABLY, THE DAM THAT SUPPLIES THE WATER FOR THE CANAL. AND WE WOULD BE IN THE MIDST OF A MINI-WAR OF LIBERATION.

WHETHER TORRIJOS COULD WEATHER THIS KIND OF DEVELOPMENT, ONE CANNOT FORECAST. HE WOULD PROBABLY TRY AT THE OUTSET TO CONTROL AND CHANNEL THE VIOLENCE. BUT UNLESS HE MOVED AHEAD OF HIS PEOPLE--ESPECIALLY THE RABID NATIONALISTS--HE COULD WELL BE OVERTHROWN. WHAT WOULD REPLACE HIM WOULD ALMOST CERTAINLY BE A MUCH MORE RADICAL AND LEFTIST GOVERNMENT. AND AS THE ECONOMIC SITUATION WORSENE--AS IT OBVIOUSLY WOULD--PANAMA WOULD TURN INCREASINGLY TO THE SOCIALIST CAMP AND TO THE ARABS FOR MATERIAL AND MORAL SUPPORT. WOULD IT BE FORTHCOMING? THERE IS NO DOUBT IN MY MIND THAT IT WOULD.

NOR WOULD THE VIOLENCE BE CONFINED TO PANAMA. I WOULD BE SURPRISED IF OUR EMBASSIES FROM MEXICO CITY TO BUENOS AIRES DID NOT GET A SHARE OF THE FALLOUT AS NATIONALISTS AND EXTREMISTS AND
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LATIN QUOTE BROTHERS UNQUOTE OF ALL SHADES AND SIZES VENTED THEIR SPLEEN AGAINST US.

IS THIS WHAT WE WANT TO BRING DOWN AROUND OUR HEADS? I SHOULD THINK NOT. IS IT AVOIDABLE. YES, IF WE PLAY OUR CARDS RIGHT. WE CAN AVOID IT TOTALLY IF WE GET A TREATY. WE CAN AVOID MUCH OF IT IF WE WORK HARD TO GET ONE AND THEN HAVE IT DEFERRED. SOME OF IT IS INEVITABLE IF WE GET A TREATY THAT IS RESOUNDINGLY DEFEATED BY THE SENATE. AND MOST OR ALL OF IT IS LIKELY IF WE SIMPLY STOP TRYING TO WORK TOWARD A NEGOTIATED SOLUTION.

A GLOOMY PICTURE--BUT A REALISTIC ONE, I AM PERSUADED.

ONE FINAL COMMENT: YOU WILL RECALL THAT IN 1963 WE WERE NOT EVEN PREPARED TO DISCUSS REVISION OF THE 1903 TREATY. AFTER THE RIOTS OF JANUARY 1964, WE HAD TO OFFER TO WORK OUT AN ENTIRELY NEW TREATY AS PART OF THE PRICE OF RESTORING SOME SEMBLANCE OF NORMALCY TO OUR RELATIONS HERE. I HAVE NO DOUBT THE PROCESS WOULD BE REPEATED AFTER A NEW CONFRONTATION. WE WOULD PROBABLY THEN HAVE TO OFFER CONSIDERABLY MORE THAN PANAMA IS WILLING TO ACCEPT TODAY --AND WE WOULD DO SO IN AN ATMOSPHERE POISONOUS AND EMBITTERED.

SO THE QUESTION IS: DO WE WISH TO SUFFER ANOTHER SELF-INFLICTED
WOUND? OR DO WE HAVE THE WISDOM TO PERCEIVE WHAT IS TRULY OUR
LARGER INTEREST IN THIS SMALL COUNTRY AND IN THE HEMISPHERE AND
THE WILL TO BACK IT WITH OUR ACTIONS?

I HAVE SENT THIS EXCLUSIVELY FOR YOUR EYES. BUT YOU MAY WISH
TO SHARE SOME OR ALL OF IT WITH OTHER INTERESTED PARTIES--THE
DIRECTOR OF CIA AND THE SECRETARY OF DEFENSE, FOR EXAMPLE.
WARMEST REGARDS.
JORDEN

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